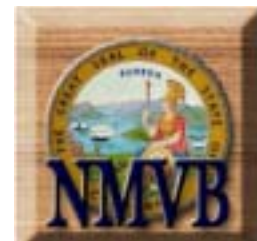


STATE OF CALIFORNIA



MEMO

To: PUBLIC MAILING LIST

From: NEW MOTOR VEHICLE BOARD
1507 21st Street, Suite 330
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(916) 445-2080
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Date: January 7, 2003

Subject: Annual Statutory Notice Re: Dealer Development Stores
Revised Transcript Policy

Annual Statutory Notice Re: Dealer Development Stores

As part of the Board's educational outreach efforts, the industry is reminded that Vehicle Code section 11713.3(o)(3)(B) requires that every manufacturer, branch, and distributor that owns an interest in a dealer as part of a bona fide dealer development program¹ give written notice to the Board, annually, of the name and location of each dealer in which it has an ownership interest. The Board maintains these filings as a public record subject to disclosure under the California Public Records Act (Gov. Code § 6250 et seq.)

Revised Transcript Policy (Sacramento only)

At the Board's March 12, 2002, General meeting, the members adopted a transcript policy that allows the court reporter to sell transcripts directly to the parties or other individuals. During a hearing or Board meeting held in Sacramento, the reporter will

¹ Vehicle Code section 11713.3(2)(B) defines a bona fide dealer development program as follows: (i) The sole purpose of the program is to make franchises available to persons lacking capital, training, business experience, or other qualities ordinarily required of prospective franchisees and the dealer development candidate is an individual who is unable to acquire the franchise without assistance of the program; (ii) The dealer development candidate has made a significant investment subject to loss in the franchised business of the dealer; and, (iii) The program requires the dealer development candidate to manage the day-to-day operations and business affairs of the dealer and to acquire, within a reasonable time and on reasonable terms and conditions, beneficial ownership and control of a majority interest in the dealer and disassociation of any direct or indirect ownership or control by the manufacturer, branch, or distributor.

give the parties an estimated cost and ask the parties to send a check to the Board payable to Vine, McKinnon & Hall ("VMH") while the transcript is being prepared. Once the transcripts are prepared they will be sent to the requesting party and any cost differences will be handled between VMH and the parties. This revised policy saves time and money on the part of litigants and the Board.

If you have any questions or comments, please do not hesitate to contact Robin Parker, Senior Staff Counsel, at (916) 445-2080.